



NAESB REQ FINAL ACTION Ratified August 8, 2011

For Quadrant: Retail Electric Quadrant
Requesters: Retail Electric Quadrant Data Privacy Task Force
Request No.: Retail 2011 Annual Plan Item 8 (d) / R10012
Request Title: Third Party Access to Smart Meter-based Information

1. RECOMMENDED ACTION:

☒ Accept as requested
☐ Accept as modified below
☐ Decline

EFFECT OF EC VOTE TO ACCEPT RECOMMENDED ACTION:

☒ Change to Existing Practice
☐ Status Quo

2. TYPE OF DEVELOPMENT/MAINTENANCE

Per Request:

☒ Initiation
☐ Modification
☐ Interpretation
☐ Withdrawal

☒ Principle
☒ Definition
☒ Business Practice Standard
☐ Document
☐ Data Element
☐ Code Value
☐ X12 Implementation Guide
☐ Business Process Documentation

Per Recommendation:

☒ Initiation
☐ Modification
☐ Interpretation
☐ Withdrawal

☒ Principle
☒ Definition
☒ Business Practice Standard
☐ Document
☐ Data Element
☐ Code Value
☐ X12 Implementation Guide
☐ Business Process Documentation

3. RECOMMENDATION

SUMMARY:

The deployment of Smart Grid technologies and the standardization of energy usage information syntax and transport will tend to increase and facilitate the collection, use, and disclosure of Smart Meter-based Information by Distribution Companies and Third Parties. With the availability of such granular detail, an electricity usage profile could be created and used as a source of behavioral information on Retail Customer households or other premises. By enabling access to Smart Meter-based Information, innovative consumer products will be developed which will give Retail Customers more insight and control over their energy usage. Some states are considering or have allowed certain Third Parties to access Smart Meter-based Information subject to specific legislative or regulatory rules. Aggregated or de-identified Smart Meter-based Information raises few privacy concerns. Privacy concerns primarily arise when Smart Meter-based Information linked to a Retail Customer is used without the knowledge of the customer for purposes that are not Authorized by the Retail Customer or the Applicable Regulatory Authority. Privacy is about the ability of Retail Customers to have a certain amount of control over their information.



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The focus of these Model Business Practices is to set forth voluntary best practices on the disclosure of Smart Meter-based Information to Third Parties and to provide guidelines to Applicable Regulatory Authorities on privacy practices for Third Party access to Smart Meter-based Information.

RECOMMENDED STANDARDS:

THIRD PARTY ACCESS TO SMART METER-BASED INFORMATION

Executive Summary

This document establishes voluntary Model Business Practices for Third Party access to Smart Meter-based Information. For Retail Customers to realize the benefits of Smart Grid products and services offered by Third Parties, Smart Meter-based Information should be made available in a timely manner to Third Parties who are Authorized by the Retail Customer to receive such information. Once a Third Party has acquired the Smart Meter-based Information for a Retail Customer, the Third Party should have the responsibility to protect the Retail Customer's privacy. These voluntary Model Business Practices could apply to Third Parties in either retail access or non-retail access jurisdictions and regardless of whether the Third Party received the Smart Meter-based Information from a Distribution Company or another Third Party.

These voluntary Model Business Practices provide practices related to a Third Party's access to Smart Meter-based Information. However, in a business environment where best practices are voluntary, Model Business Practices should be followed taking into account any applicable contractual agreements, tariffs, or rate schedules, and subject to the Governing Documents and Applicable Regulatory Authority requirements. Therefore, any obligation to abide by these voluntary Model Business Practices, including any modified form thereof, would be established by Governing Documents and Applicable Regulatory Authority rules and regulations.

The Applicable Regulatory Authority should consider the costs to the Distribution Company of implementing these voluntary Model Business Practices and any associated practices.

These Model Business Practices are intended to serve only as flexible guidelines, rather than "one-size-fits-all" requirements. In this capacity, they can provide information and guidance that will help voluntary adopters, whether Distribution Companies or Third Parties, and Applicable Regulatory Authorities to make informed decisions that appropriately balance beneficial uses of Smart Meter-based Information with privacy concerns. Moreover, these practices are not intended to apply to the Distribution Company's disclosure, collection, use and handling of Smart Meter-based Information in connection with the Distribution Company's or its agents' utility services product or service fulfillment or billing and collection activities. Instead they are intended solely to apply to other disclosures of Smart Meter-based Information from the Distribution Company to a Third Party, as well as the collection, use, and retention of Smart Meter-based Information by such Third Party and the disclosure of Smart Meter-based Information from one Third Party to another Third Party.



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In addition to Third Parties who request Smart Meter-based Information for a Retail Customer from the Distribution Company, these voluntary Model Business Practices should be adopted by Third Parties who also gather Smart Meter-based Information directly from the Retail Customer or the Retail Customer's smart appliances / devices.

For the purposes of this document, the term "energy transaction" within the Business Definition of "Entity" should be interpreted broadly to encompass within the scope of these voluntary Model Business Practices any ancillary consulting or other services related to Smart Meter-based Information beyond those transactions that may be strictly or traditionally understood as "energy transactions".

These voluntary Model Business Practices are grouped into the following privacy areas:

1. Management and Accountability
2. Notice and Purpose
3. Choice and Consent
4. Collection and Scope
5. Use and Retention
6. Individual Access
7. Disclosure and Limiting Use
8. Security and Safeguards
9. Accuracy and Quality
10. Openness, Monitoring, and Challenging Compliance

Introduction

The North American Energy Standards Board (NAESB) is a voluntary non-profit organization comprised of members from all aspects of the natural gas and electric industries. Within NAESB, the Retail Electric Quadrant (REQ) and the Retail Gas Quadrant (RGQ) focus on issues impacting the retail sale of energy to Retail Customers. REQ / RGQ Model Business Practices are intended to provide guidance to Distribution Companies, Suppliers, and other Market Participants involved in providing energy service to Retail Customers. The focus of these voluntary Model Business Practices is to provide detailed practices and processes for Third Party access to Smart Meter-based Information in either retail access or non-retail access jurisdictions. These Model Business Practices are voluntary and do not address policy issues that are the subject of state legislation or regulatory decisions. These voluntary Model Business Practices have been adopted by NAESB with the realization that, as the industry evolves, additional and amended voluntary Model Business Practices may be necessary. Any industry participant seeking additional or amended voluntary Model Business Practices (including principles, definitions, data elements, process descriptions, and technical implementation instructions) should submit a request to the NAESB office, detailing the change, so that the appropriate process may take place to amend the voluntary Model Business Practice.



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Business Processes and Practices

REQ.22 Overview

REQ.22.1 Principles

- REQ.22.1.1** Data privacy practices related to Smart Meter-based Information, the disclosure of Smart Meter-based Information to Third Parties, and the principles, definitions, and terms used herein are subject to the terms and requirements set forth by the Applicable Regulatory Authority and Governing Documents.
- REQ.22.1.2** The method by which Retail Customers Authorize access to their Smart Meter-based Information should minimize the time and effort required to take such action.
- REQ.22.1.3** Distribution Companies should make their information privacy policies and practices, as those policies and practices relate to the disclosure of Smart Meter-based Information to Third Parties, reasonably available and transparent as determined by the Applicable Regulatory Authority.
- REQ.22.1.4** Third Parties with access to Smart Meter-based Information should ensure the transparency of their information privacy policies and practices.
- REQ.22.1.5** Third Parties with access to Smart Meter-based Information should protect the privacy and security of the Smart Meter-based Information.
- REQ.22.1.6** Parties should share information concerning solutions to common privacy-related information-sharing problems with Distribution Companies and Third Parties.
- REQ.22.1.7** A Third Party seeking or provided Smart Meter-based Information should be an identifiable Entity that is permitted to receive Smart Meter-based Information in accordance with the Governing Documents and the requirements of the Applicable Regulatory Authority, including applicable cyber security and privacy requirements.
- REQ.22.1.8** Once a Distribution Company or a Third Party has disclosed Smart Meter-based Information to another party, in accordance with these Model Business Practices and the Governing Documents, the disclosing party is not responsible or liable in any way whatsoever after the disclosure of that information for the security of such information, the use or misuse of such information or the subsequent disclosure by the recipient or other parties.



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REQ.22.2 Definitions

REQ.22.2.A Business Definitions

RXQ.0.2.xx Authorization: The result of a process by which the Retail Customer provides informed consent in a manner consistent with the applicable Governing Documents and any requirements of the Applicable Regulatory Authority.

RXQ.0.2.xx Smart Meter-based Information: Information and data from a smart meter identifiable to an individual Retail Customer, as defined and governed by the Governing Documents and which may be made available pursuant to the Governing Documents consistent with any requirements of the Applicable Regulatory Authority.

REQ.22.2.B. Technical Definitions

REQ.22.2.xt Privacy Use Case: A sequence of actions that describes the expected path of Smart Meter-based Information, including access points, from the point of collection by the Distribution Company or Third Party, through the use, handling, and retention and disclosure by the Distribution Company or Third Party consistent with such Privacy Use Case. For purposes of these voluntary Model Business Practices, the scope of Privacy Use Cases is limited to the pathway of Retail Customer Smart Meter-based Information to the extent and during the period in which it is under the control of the Distribution Company or Third Party conducting the Privacy Use Case. The Distribution Company or Third Party conducting the Privacy Use Case is not responsible for tracking the path of the Smart Meter-based Information past the point of disclosure beyond its control.

REQ.22.2.xt Third Party: An Entity, that is permitted to receive Smart Meter-based Information in accordance with applicable law, regulation, the Governing Documents and any requirements of the Applicable Regulatory Authority, other than: the Distribution Company and its contracted agents, the Applicable Regulatory Authority, ISOs or other regional entities, which seeks or is provided Smart Meter-based Information, including any Entity under contract with the Third Party to perform the services or provide the products as described in the Retail Customer's Authorization.



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REQ.22.3 Model Business Practices

REQ.22.3.1 Management and Accountability

REQ.22.3.1.1 Distribution Company Business Practices

REQ.22.3.1.1.1 Distribution Companies should have internal information security and privacy policies and practices relating to the disclosure of Smart Meter-based Information to Third Parties and should have personnel appointed to a position responsible for compliance with such policies and practices.

REQ.22.3.1.1.2 Distribution Companies should promote the privacy of Smart Meter-based Information to relevant employees, as it relates to disclosing such information to Third Parties.

REQ.22.3.1.1.2.1 Distribution Companies should have regular training and ongoing awareness activities for relevant employees on their privacy policies and practices that relate to the disclosure of Smart Meter-based Information to Third Parties.

REQ.22.3.1.1.3 Distribution Companies should internally audit and monitor their own Smart Meter-based Information activities that relate to the disclosure of Smart Meter-based Information to Third Parties.

REQ.22.3.1.1.4 Subject to the Governing Documents and requirements of the Applicable Regulatory Authority, Distribution Companies should make and retain for a reasonable period records related to their disclosures of Smart Meter-based Information to Third Parties. Such records of disclosures are not intended to include the actual Smart Meter-based Information that was disclosed. Distribution Companies should not be responsible for making or retaining records of direct disclosures of Smart Meter-based Information by individual Retail Customers to Third Parties.

REQ.22.3.1.1.5 The Distribution Company should establish and implement a process designed to prevent its terminated employees from obtaining unauthorized access to the Smart Meter-based Information that is within the control of the Distribution Company.

REQ.22.3.1.2 Third Party Business Practices

REQ.22.3.1.2.1 Third Parties should have personnel appointed to a position that is responsible for ensuring that its internal documented information security and privacy policies and practices related to Smart Meter-based Information exist and are followed.

REQ.22.3.1.2.2 Third Parties should promote the privacy of Smart Meter-based Information to relevant employees.



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- REQ.22.3.1.2.2.1** Third Parties should have regular training and ongoing awareness activities regarding their privacy policies and practices related to Smart Meter-based Information.
- REQ.22.3.1.2.3** Third Parties should audit and monitor their own Smart Meter-based Information activities (e.g., collection, access, use, retention, disclosure, etc.).
- REQ.22.3.1.2.4** Subject to the Governing Documents and requirements of the Applicable Regulatory Authority, Third Parties should make and retain for a reasonable period records related to their disclosures of Smart Meter-based Information to other Third Parties. Such records of disclosures are not intended to include the actual Smart Meter-based Information that was disclosed. Third Parties should not be responsible for making or retaining records of direct disclosures of Smart Meter-based Information by individual Retail Customers to other Third Parties.
- REQ.22.3.1.2.5** The Third Party should make reasonable effort to prevent its terminated employees from obtaining unauthorized access to the Smart Meter-based Information that is within the control of the Third Party.
- REQ.22.3.2 Notice and Purpose**
- REQ.22.3.2.1 Distribution Company Business Practices**
- REQ.22.3.2.1.1** Distribution Companies should provide a reasonably conspicuous and clear notice to Retail Customers that Smart Meter-based Information will not be disclosed to Third Parties, unless such disclosure is Authorized by the Retail Customer. The notice will list any exceptions to this policy (e.g., required or permitted by law, required or permitted by the Applicable Regulatory Authority, etc.).
- REQ.22.3.2.1.2** The Distribution Company's information privacy policies, including Authorization terms and conditions, regarding disclosure of Smart Meter-based Information to Third Parties should be reasonably clear, concise, understandable, and accessible, subject to the Governing Documents and the requirements of the Applicable Regulatory Authority.
- REQ.22.3.2.1.3** The Distribution Company's information privacy practices related to disclosing Smart Meter-based Information should be reasonably transparent.



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REQ.22.3.2.2 Third Party Business Practices

REQ.22.3.2.2.1 Third Parties should provide a reasonably conspicuous and clear notice to Retail Customers that Smart Meter-based Information will not be received, used, retained, or disclosed to additional Third Parties unless Authorized by the Retail Customer. The notice will list any exceptions to this policy (e.g., required or permitted by law, required or permitted by the Applicable Regulatory Authority, etc.).

REQ.22.3.2.2.2 The Third Party's information privacy policies, including Authorization terms and conditions, related to Smart Meter-based Information should be reasonably clear, concise, understandable, and accessible, subject to the Governing Documents and the requirements of the Applicable Regulatory Authority.

REQ.22.3.2.2.3 Third Parties who are Authorized by a Retail Customer to access Smart Meter-based Information for such Retail Customer should only use the information for the purposes specified in the Authorization.

REQ.22.3.2.1.4 The Third Party's information privacy practices related to Smart Meter-based Information should be reasonably transparent.

REQ.22.3.3 Choice and Consent

REQ.22.3.3.1 Distribution Company Business Practices

REQ.22.3.3.1.1 Except as permitted or required by the Governing Documents or the Applicable Regulatory Authority, a Distribution Company should not disclose Smart Meter-based Information to a Third Party unless a Retail Customer's Authorization has been obtained and/or verified in accordance with the Governing Documents and any requirements of the Applicable Regulatory Authority.

REQ.22.3.3.1.1.1 If the Distribution Company is responsible for obtaining the Retail Customer's Authorization, the process should reflect and record the Retail Customer's Authorization allowing the Distribution Company to disclose Smart Meter-based Information for such Retail Customer to a Third Party.

REQ.22.3.3.1.1.2 If the Distribution Company is responsible for obtaining the Retail Customer's Authorization, the method used for the Retail Customer to provide such Authorization should be reasonably clear, concise, understandable, and accessible.

REQ.22.3.3.1.1.3 If the Distribution Company is responsible for providing the form of Authorization to the Retail Customer, such form Authorization should specify the terms and conditions of the Authorization to disclose Smart Meter-based Information to Third Parties.



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- REQ.22.3.3.1.1.4** If the Third Party is responsible for obtaining the Retail Customer's Authorization, the Distribution Company should have a confirmation process noting that the Authorization was obtained consistent with the Governing Documents and any requirements of the Applicable Regulatory Authority.
- REQ.22.3.3.1.2** If the Distribution Company is responsible for obtaining the Retail Customer's Authorization, it should identify any choices available to Retail Customers regarding Smart Meter-based Information disclosure as part of the Authorization process.
- REQ.22.3.3.1.3** Retail Customer Authorization is not needed for the Distribution Company, including contracted agents, to collect, disclose or use Smart Meter-based Information in the course of providing (or collecting for) services or products or fulfilling any other obligations to its Retail Customers specified by the Governing Documents or as otherwise allowed by the Applicable Regulatory Authority.
- REQ.22.3.3.1.4** Distribution Companies should provide a reasonable method through which the Retail Customer may withdraw its Authorization for a Third Party to access Smart Meter-based Information for such Retail Customer.
- REQ.22.3.3.1.5** In the event a Retail Customer Authorizes the disclosure of its Smart Meter-based Information for a specified or indeterminate time period, a Distribution Company should terminate within a reasonable period of time a Third Party's rights to access a future Smart Meter Based Information for a Retail Customer when: (i) the Retail Customer withdraws its Authorization using the method provided by the Distribution Company, (ii) the Retail Customer's Authorization has reached the end of the specified period, (iii) a Retail Customer's Distribution Company service associated with a premises is terminated, or (iv) as required by the Governing Documents or the Applicable Regulatory Authority.
- REQ.22.3.3.1.6** In the case of a transfer, merger, reorganization or sale of or involving a Third Party, the Distribution Company is not required to notify the Retail Customer of the transfer, merger, reorganization or sale and a new Authorization is not required for the Distribution Company to continue to disclose the Smart Meter-based Information to the transferee, subsequent owner or successor of the Third Party.



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REQ.22.3.3.2 Third Party Business Practices

REQ.22.3.3.2.1 A Third Party should not disclose Smart Meter-based Information to another Third Party unless a Retail Customer's Authorization has been obtained and/or verified subject to the Governing Documents and any requirements of the Applicable Regulatory Authority.

REQ.22.3.3.2.1.1 In a Third Party to Third Party transaction, if the disclosing Third Party is responsible for obtaining the Retail Customer's Authorization, the process should reflect and record the Retail Customer's Authorization allowing the disclosing Third Party to disclose the Smart Meter-Based information for the Retail Customer to the receiving Third Party, as specified in the Governing Documents and as subject to any requirements of the Applicable Regulatory Authority

REQ.22.3.3.2.1.2 If a Third Party is responsible for obtaining the Retail Customer's Authorization, the method used for the Retail Customer to provide such Authorization should be reasonably clear, concise, understandable, and accessible.

REQ.22.3.3.2.1.3 In a Third Party to Third Party transaction, if the receiving Third Party is responsible for obtaining the Retail Customer's Authorization, the disclosing Third Party should have a confirmation process noting that the Authorization was obtained consistent with industry standards subject to the Governing Documents and any requirements of the Applicable Regulatory Authority.

REQ.22.3.3.2.2 A Third Party may not access or request access to Smart Meter-based Information from a Distribution Company or another Third Party unless a Retail Customer's Authorization has been obtained and/or verified in accordance with the Governing Documents and subject to any requirements of the Governing Documents and the Applicable Regulatory Authority.

REQ.22.3.3.2.3 Third Parties may not use the Smart Meter-based Information in a materially different manner than described in the Retail Customer's Authorization unless an additional Authorization so permitting is obtained from the Retail Customer.

REQ.22.3.3.2.4 Retail Customers should receive notification from Third Parties of any choices available regarding Smart Meter-based Information access, collection, use, retention, and disclosure.

REQ.22.3.3.2.5 Third Parties should provide a reasonable method through which the Retail Customer may withdraw its Authorization for a Third Party to access Smart Meter-based Information for such Retail Customer.



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REQ.22.3.3.2.6 In the case of a transfer, merger, reorganization or sale of or involving a Third Party, the Third Party should notify the Retail Customer of such transfer, merger, reorganization or sale. A new Authorization is not required for the transferee, subsequent owner or successor of the Third Party to continue receiving Smart Meter-based Information, subject to the Governing Documents and requirements of the Applicable Regulatory Authority.

REQ.22.3.3.2.7 If the Third Party is responsible for providing a form of Authorization to the Retail Customer, such form of Authorization should specify the terms and conditions of the Authorization.

REQ.22.3.4 Collection and Scope

REQ.22.3.4.1 Third Party Business Practices

REQ.22.3.4.1.1 Third Party collection of Smart Meter-based Information should be limited to only that information necessary to fulfill the purpose (e.g., to provide a service or product, etc.) as set forth in the Retail Customer's Authorization.

REQ.22.3.5 Use and Retention

REQ.22.3.5.1 Third Party Business Practices

REQ.22.3.5.1.1 Third Parties should only keep Smart Meter-based Information, subject to any retention period as specified by the Applicable Regulatory Authority or as set forth in the Governing Documents, as long as is necessary to fulfill the Authorized purposes for which it was collected.

REQ.22.3.5.1.2 Third Parties should destroy Smart Meter-based Information, subject to the Governing Documents and requirements of the Applicable Regulatory Authority, including any electronic and paper copies, when: (i) a Retail Customer withdraws its Authorization, (ii) the Smart Meter-based Information is no longer needed to fulfill the Authorized purpose, (iii) Retail Customer's Authorization has reached the end of the specified period set forth in the Authorization, or (iv) required by the Governing Documents or the Applicable Regulatory Authority.



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REQ.22.3.6 Individual Access

REQ.22.3.6.1 Distribution Company Business Practices

REQ.22.3.6.1.1 A Distribution Company who discloses Smart Meter-based Information to Third Parties should develop and communicate processes for a Retail Customer to have access to Smart Meter-based Information for such Retail Customer. These processes should not create unreasonable barriers to such access. Existing procedures established or approved by the Applicable Regulatory Authority or Governing Documents should be sufficient.

REQ.22.3.6.2 Third Party Business Practices

REQ.22.3.6.2.1 A Third Party should develop and communicate processes for a Retail Customer to have access to Smart Meter-based Information for such Retail Customer and to be able to request that the Smart Meter-based Information be corrected where inaccuracies exist. These processes should not create unreasonable barriers to such access. Existing procedures established or approved by the Applicable Regulatory Authority or Governing Documents should be sufficient.

REQ.22.3.7 Disclosure and Limiting Use

REQ.22.3.7.1 Distribution Company Business Practices

REQ.22.3.7.1.1 Subject to the Governing Documents and Applicable Regulatory Authority, Distribution Companies should only disclose Smart Meter-based Information to those Third Parties that the Retail Customer has Authorized, except in connection with the Distribution Companies' and its agents' utility services, product or service fulfillment, or billing and collection activities.

REQ.22.3.7.1.2 Distribution Companies may disclose aggregated Smart Meter-based Information to Third Parties without Retail Customer Authorization, if that information does not identify and cannot be reasonably traced back to individual Retail Customers, and as otherwise permitted by the Governing Documents or the Applicable Regulatory Authority.

REQ.22.3.7.1.3 If a Retail Customer has Authorized the Distribution Company to disclose its Smart Meter-based Information associated with certain premises, the Distribution Company should make reasonable efforts in connection with such disclosure to preserve the privacy of the Smart Meter-based Information for another Retail Customer previously taking service at the same premises.



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REQ.22.3.7.1.4 A Distribution Company should disclose Smart Meter-based Information to Third Parties in a convenient manner and within a reasonable period of time after receipt of and consistent with the Retail Customer's Authorization, subject to the Governing Documents and requirements of the Applicable Regulatory Authority.

REQ.22.3.7.1.5 A Distribution Company should not be restricted from disclosing Smart Meter-based Information to a law enforcement agency or court once the necessary legal requirements have been met (e.g., subpoena, court order, etc.). A Distribution Company should be permitted to disclose Smart Meter-based Information to a law enforcement agency, court, tribunal, regulatory agency or arbitrator in connection with an investigation or proceeding related to a dispute concerning an unmetered service condition or suspected energy theft.

REQ.22.3.7.2 Third Party Business Practices

REQ.22.3.7.2.1 Subject to the Governing Documents and Applicable Regulatory Authority, Third Parties should only disclose Smart Meter-based Information to those additional Third Parties that the Retail Customer has Authorized and consistent with such Authorization.

REQ.22.3.7.2.2 Third Parties may disclose aggregated Smart Meter-based Information to other Third Parties, without Retail Customer Authorization, if that information does not identify and cannot be reasonably traced back to individual Retail Customers, subject to any applicable Governing Documents and the requirements of the Applicable Regulatory Authority.

REQ.22.3.7.2.3 If a Retail Customer has Authorized a Third Party to disclose its Smart Meter-based Information associated with certain premises, such Third Party should make reasonable efforts in connection with such disclosure to preserve the privacy of the Smart Meter-based Information for another Retail Customer previously taking service at the same premises.

REQ.22.3.7.2.4 Third Parties should disclose Smart Meter-based Information to other Authorized Third Parties in a convenient manner and within a reasonable period of time from receipt of and consistent with the Retail Customers' Authorization, all of which are subject to the Governing Documents and requirements of the Applicable Regulatory Authority.

REQ.22.3.7.2.5 A Third Party should not be restricted from disclosing Smart Meter-based Information to a law enforcement agency or court once the necessary legal requirements have been met (e.g., subpoena, court order, etc.).



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REQ.22.3.8 Security and Safeguards

REQ.22.3.8.1 Distribution Company Business Practices

REQ.22.3.8.1.1 Distribution Companies should protect Smart Meter-based Information under its control from unauthorized access and disclosure by developing and incorporating information privacy protections, as they relate to the disclosure of Smart Meter-based Information to Third Parties, into their policies and practices.

REQ.22.3.8.1.1.1 Distribution Companies should conduct and document an initial assessment of the risks associated with their processes for disclosing Smart Meter-based Information to Third Parties, and use this risk analysis to develop or update, when appropriate, their privacy protection policies and practices regarding such disclosures.

REQ.22.3.8.1.1.2 Distribution Companies should conduct and document periodic risk analyses associated with their processes for disclosing Smart Meter-based Information to Third Parties and use this risk analysis to update, when appropriate, the applicable policies and practices. Conducting a periodic risk analysis should be considered when:

- Major changes occur within their organization that may reasonably impact the Distribution Company's data privacy practices relating to disclosing Smart Meter-based Information to Third Parties;
- Relevant new applicable laws and/or regulations become effective;
- An event related to the Distribution Company's unauthorized disclosure of Smart Meter-based Information, as confirmed by such Distribution Company occurs; or
- Any other circumstance that the Distribution Company determines warrants such risk analysis.

REQ.22.3.8.1.1.3 In developing or updating their privacy protection policies and practices, Distribution Companies should develop or review a reasonably comprehensive set of Privacy Use Cases to track Smart Meter-based Information flows associated with the disclosure of Smart Meter-based Information to Third Parties.

REQ.22.3.8.1.1.4 Distribution Company's privacy policies and practices related to the disclosure of Smart Meter-based Information to Third Parties should include, but not be limited to, measures to protect the security and accuracy of the information.

REQ.22.3.8.1.1.5 For as long as they are disclosing Smart Meter-based Information to Third Parties, a Distribution Company should maintain information privacy protection policies and practices (as may be modified) as they relate to disclosing Smart Meter-based Information.



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- REQ.22.3.8.1.2** In the event of any Distribution Company-confirmed breach of the security of a system under a Distribution Company's control that results in the unauthorized access to and disclosure of Smart Meter-based Information, a Distribution Company should comply with applicable requirements and laws, including any Retail Customer notification requirements, pursuant to the Governing Documents and the Applicable Regulatory Authority rules and regulations. The Distribution Company should restore the integrity of the system and data to the extent and as soon as reasonably practicable.
- REQ.22.3.8.1.3** Entities that are under contract with a Distribution Company to provide services or products for the Distribution Company related to the disclosure of Smart Meter-based Information to Third Parties should agree to implement security and privacy safeguards at least equal to those required by the Distribution Company pursuant to the Governing Documents and requirements of the Applicable Regulatory Authority.
- REQ.22.3.8.2 Third Party Business Practices**
- REQ.22.3.8.2.1** Third Parties should protect Smart Meter-based Information under its control from loss, theft, unauthorized access or disclosure, unauthorized copying, misuse, or modification by developing and incorporating information privacy protections into their Smart Meter-based Information policies and practices.
- REQ.22.3.8.2.1.1** Third Parties should conduct and document an initial assessment of the risks associated with their processes for Smart Meter-based Information receipt, collection, management, use, retention, or disclosure, and use this risk analysis to develop or update, as appropriate, their privacy protection policies and practices regarding such processes.
- REQ.22.3.8.2.1.2** Third Parties should conduct and document periodic risk analyses associated with their processes for Smart Meter-based Information receipt, collection, management, use, retention, or disclosure. Conducting a periodic risk analysis should be considered when:
- Major changes occur within their organization that may reasonably impact the Third Party's data privacy practices relating to Smart Meter-based Information receipt, collection, management, use, retention, or disclosure;
 - Relevant new applicable laws and/or regulations become effective;
 - An event occurs related to the Third Party's unauthorized disclosure of Smart Meter-based Information; as confirmed by such Third Party; or
 - Any other circumstance that the Third Party determines warrants such risk analysis.



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- REQ.22.3.8.2.1.3** In developing or updating their privacy protection policies and practices, Third Parties should develop or review a reasonably comprehensive set of Privacy Use Cases to rigorously track Smart Meter-based Information flows associated with receipt, collection, disclosure, retention, and use of Smart Meter-based Information, while under the Third Party's control.
- REQ.22.3.8.2.1.4** A Third Party's information privacy policies and practices should include, but should not be limited to, information security, and accuracy and retention practices.
- REQ.22.3.8.2.1.5** For as long as they are receiving, collecting, using, retaining, or disclosing Smart Meter-based Information, a Third Party should maintain information privacy protection policies and practices (as may be modified).
- REQ.22.3.8.2.2** In the event of any breach of the security of a system under a Third Party's control that results in the unauthorized disclosure of Smart Meter-based Information, a Third Party should comply with applicable requirements and laws, including any Retail Customer notification requirements, pursuant to the Governing Documents and the Applicable Regulatory Authority rules and regulations. The Third Party should restore the integrity of the system and data as soon as and to the extent reasonably practicable.
- REQ.22.3.8.2.3** Entities that are under contract with a Third Party to provide services or products for the Third Party related to Smart Meter-based Information should implement security and privacy safeguards at least equal to those implemented by the Third Party.
- REQ.22.3.9 Accuracy and Quality**
- REQ.22.3.9.1 Distribution Company Business Practices**
- REQ.22.3.9.1.1** A Distribution Company should endeavor to ensure that the Smart Meter-based Information is accurate and reasonably complete.
- REQ.22.3.9.1.1.1** However, it is recognized that a Distribution Company providing Smart Meter-based Information directly from the smart meter or before the data is validated for billing purposes can only provide the Smart Meter-based Information as that data is registered by or recorded in the smart meter. The Third Parties to which such data is disclosed should acknowledge that there are inherent limitations in Smart Meter-based Information disclosed before the Distribution Company has verified and validated it for billing purposes.



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REQ.22.3.9.2 Third Party Business Practices

REQ.22.3.9.2.1 Third Parties should endeavor to ensure that the Smart Meter-based Information is accurate and reasonably complete when disclosed pursuant to a Retail Customer's Authorization, recognizing that the information that a Third Party discloses is only as accurate and complete as the information it receives. However, this should not preclude a Third Party from modifying or enhancing Smart Meter-based Information, provided that it is clear, when such information is disclosed, that the Smart Meter-based Information has been modified or enhanced.

REQ.22.3.10 Openness, Monitoring, and Challenging Compliance

REQ.22.3.10.1 Distribution Company Business Practices

REQ.22.3.10.1.1 Distribution Companies should develop and implement customer education plans to raise the awareness of the relevant Retail Customers about the Distribution Company's information privacy protection policies and practices that relate to the disclosure of Smart Meter-based Information to Third Parties.

REQ.22.3.10.1.2 Distribution Companies should establish and make available complaint procedures to Retail Customers to address disputes regarding the disclosure of Smart Meter-based Information to Third Parties. Existing complaint procedures established or approved by the Applicable Regulatory Authority or Governing Documents should be sufficient.

REQ.22.3.10.2 Third Party Business Practices

REQ.22.3.10.2.1 Third Parties should develop and implement customer education plans to inform the relevant Retail Customers about the Third Party's Smart Meter-based Information privacy protection policies and practices.

REQ.22.3.10.2.2 Third Parties should establish and make available complaint procedures to Retail Customers to address disputes regarding such Third Party's privacy practices, including the disclosure of Smart Meter-based Information to additional Third Parties. Any existing Third Party complaint procedures established or approved by the Applicable Regulatory Authority or Governing Documents should be sufficient.

REQ.22.4 Models (RESERVED)